

1 have to start now, and we're going to start now.

2           We're going to insure that Atlantic City  
3 is rebuilt because if the tunnel comes, it will become  
4 the City of Atlantis. I urge you to come there as  
5 soon as you can with your hearings so that you can see  
6 first hand how 21 years of the first wave ought not to  
7 end up so that before we begin this second wave.

8           Thank you very much.

9           CHAIRPERSON JAMES: Chief Billie Redwing  
10 Tayac.

11          Bernie Horn.

12          MR. HORN: Hi. Good afternoon. I'm the  
13 Communications Director of the National Coalition  
14 Against Legalized Gambling.

15          Members of the Commission, the single most  
16 important action you can take is to use your subpoena  
17 power to uncover documents showing the extent to which  
18 gambling enterprises rely on addicts for their  
19 revenue. As you must know from reading the papers,  
20 litigants against the tobacco industry have used  
21 subpoena power to uncover documentation of what that  
22 industry knew about their product. They knew their

1 product was addictive. They knew that the profit  
2 margin depended on that addiction, and they seem to  
3 have responded by manipulating the addictive  
4 properties of their product.

5 We believe that documents exist which  
6 prove that the gambling industry is also fully aware  
7 of the nature of their product. They know that many  
8 of their customers suffer from gambling addiction, a  
9 medically recognized mental disorder.

10 They know that a huge percentage of their  
11 profits are earned from gambling addicts, and they  
12 respond by designing gambling games and establishments  
13 in ways to encourage and exploit this addiction.

14 Some research in this area is available.  
15 For example, Dr. Henry Lesoeur found that for the  
16 average gambling establishment in seven North American  
17 states and provinces 30 percent of the profits come  
18 from the pockets of gambling addicts. We shouldn't  
19 allow that.

20 Now, how does the gambling industry know  
21 which tact it's to pursue to maximize profits? By  
22 spending millions of dollars each year on research.

1 Obviously the industry draws some conclusions from  
2 polls and focus groups, but there is psychological  
3 research as well.

4           For example, the Colorado lottery recently  
5 sponsored a study called "Mind Sort" which analyzed  
6 the left and right sides of the human brain to  
7 understand how to manipulate player behavior, and  
8 according to a story in the U.S. News & World Report,  
9 casinos use psychological research to learn how to  
10 keep their customers' senses stimulated with light,  
11 sound, action, and even color, and smell. They speed  
12 up games, offer small payouts to keep customers  
13 trying, and design facilities so patrons lose track of  
14 time, in other words, treating their customers as if  
15 they were rats in a cage.

16           You've been concerned about the  
17 Commission's resources. You have limited resources,  
18 but you have an unlimited resource, and that is your  
19 subpoena power. Millions and millions of dollars of  
20 research is out there which has been done by various  
21 elements of the gambling industry, and you can obtain  
22 that research, and you should obtain that research

1 because that's how you can spread your influence.

2 That's how you can get the information that can be  
3 gotten efficiently, quickly, and thoroughly.

4 Thank you.

5 CHAIRPERSON JAMES: Mr. Cornelius.

6 MR. CORNELIUS: Ms. James, Commission, I'm  
7 a guest safety officer at Harrah's in Atlantic City,  
8 and I would like to thank everyone concerned for the  
9 opportunity to tell my story.

10 I was born and raised in Atlantic City and  
11 have seen many positive things in the past 18 years  
12 since the beginning of the casino industry. Before  
13 the opening of the casinos, I worked in factories for  
14 low wages, including a job as a presser in a clothing  
15 factory. Most of these factories closed down,  
16 including mine, and I was unemployed.

17 There was not an industry left in Atlantic  
18 City to work in. Luckily for me, I found the Atlantic  
19 Cape May Private Industry Council, a nonprofit  
20 organization that was providing training for new jobs,  
21 including those in the new casino industry.

22 After attending a ten-week class to learn